GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:4589
ANSWERED ON:18.04.2001
PENSION TO PSU EMPLOYEES
BALIRAM

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) the name of the agency which would give pension to those Group `C` and Group `D` employees working in public sector undertaking who have opted for the PSU pension and the Central Government pension alongwith the account wherefrom they are to be given the said pension;

(b) the details of the rules under which the PSU employees get PSU and Government pension; and

(c) the name of the agency which would give pension to those PSU employees who have opted for the Government pension in case the concerned PSU is closed down?

Answer

MINISTER OF STATE OF DEPARTMENT OF PERSONNEL AND TRAINING AND DEPARTMENT OF PENSIONS AND PENSIONERS WELFARE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SMT. VASUNDHARAJE)

(a)& (b) : A statement is enclosed.

(c) : Appropriate mechanism for payment of pension based on combined service, in the event of closure of a public sector undertaking, shall have to be worked out by the public sector undertaking in consultation with the Government only when the eventuality arises and cannot be determined at this stage.

STATEMENT REFERRED TO IN REPLY TO PARTS (a)& (b) OF LOK SABHA UNSTARRED QUESTION NO. 4589 FOR REPLY ON 18.04.2001.

(a) and (b) : Retirement benefits, admissible on absorption in public sector undertaking under different circumstances, are as under :-

A. Individual cases of absorption :

(1) Pro-rata pension/service gratuity, as the case may be, based on qualifying service rendered by the employee under Government prior to the date of absorption, is payable by Government ; and

(2) Retirement benefits for the service rendered in PSU are payable by the PSU as per the PSU Rules.

B. Absorption consequent upon conversion of a Govt. Deptt. into PSU :

(i) Absorption taking place before 30.9.2000:

In accordance with the provisions of Department of Pension & Pensioners` Welfare O.M. No. 4/18/87-P&PW(D) dated 5.7.1989 an absorbed employee could opt for:

(a) Pro-rata pensionary benefits to be paid by Government provided he was a permanent employee with not less than 10 years qualifying service under Government prior to absorption in the PSU , plus retirmenet benefits asper PSU Rules for the service rendered in PSU, to be paid by the PSU.

Or

(b) Pension on retirement from the PSU based on combined servicerendered in the Government and the PSU as per formula for calculation of pension under Govt. Pensionary liability of the Government is to be discharged in one lumpsum to the PSU concerned who are required to create a Pension Fund out of which the combined pension would be paid.

(ii) Absorption taking place after 30.09.2000 Under the provisions of Rule 37 A of the CCS (Pensions)Rules, 1972 notified on 30th September,2000,the absorbed employee will be eligible, on retirement from the public sector undertaking, for payment of pension on the basis of combined service in Government and the public sector undertaking, as per formula for calculation of pension in Government. The Central Government shall create a Pension Fund in the form of a trust and the pensionary benefits of absorbed employees shall be paid out of such Pension Fund.

In the case of absorbed employees of Bharat Sanchar Nigam Limited, pensionary benefits would be paid by the Government.